

PROVIDER Bulletin



KERN HEALTH
SYSTEMS

August 5th, 2025

APL 25-011 - H.R. 1 – Federal Payments to Prohibited Entities

Dear Provider,

The Department of Health Care Services released APL 25-011 on July 1, 2025 to provide guidance on the handling of payments to providers who may be impacted by House Resolution (H.R.) 1. The APL was revised on July 31, 2025, due to ongoing federal litigation and resulting court injunctions.

The Plan is prohibited from making payments to Prohibited Entities; a Prohibited Entity is a provider organization that meets all of the following criteria:

- A nonprofit organization classified as a 501(c)(3);
- An Essential Community Provider (ECP) that primarily provides family planning or reproductive health services;
- Provides for Abortions
- Received \$800,000 or more in federal or state Medicaid funds for those services during fiscal year 2023.

Providers who meet the definition of a Prohibited Entity should hold claims for all services, except abortion services, rendered on or after July 4th 2025.

Providers who do not meet the definition of prohibited entity are not impacted by this APL.

Due to the July 28, 2025 Preliminary Injunction (PI) issued by the Federal District Court, the payment prohibition does not apply to Planned Parenthood.

[Provider Bulletins](#) are available on the [KHS website](#). Please visit the site regularly to stay informed about the latest updates and announcements.

If you have any additional questions, please contact your Provider Relations Representative at 1-800-391-2000, silent prompt option #5.

Sincerely,

James Winfrey

Deputy Director of Provider Network.

Kern Health Systems